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Charging More for Your Expertise

Day 3: Deals, Proposals, etc.

Jason Liu, Dec 13th, 2024



Agenda

Day 3 overview

The most important questions that drive a close

Situational assessment

Office hours

Unless someone comes in super sold on working with you, chances are I think you're better off **working for free** to get testimonials and potentially references to build out our proof and content



How have I helped you?
Do you know anyone else that needs
my help?

Unless someone comes in super sold on working with you, chances are I think you're better off **working for free** to get testimonials and potentially references to build out our proof and content

- Once that's happened you can start asking...



Ask these questions often during the sale stage and engagement to understand what people **really** want

What's at stake?

What would we be celebrating?

Why do we ask?

- *We can write about it to communicate what's going on*
- *What the value is*
- *We can ask for a number smaller than or a % of that value*

What we've covered so far

Day 1

Spin the content flywheel

- Create content that have strong titles
- Use free content as proof, a way to build audience trust, and a magnet for leads—then direct readers to take action (e.g., booking a call).
- Use the value equation ($\text{Dream Outcome} \times \text{Probability of Success} \div (\text{Time} \times \text{Effort})$) as a guide for offers and messaging.

Focus on three selling pillars:

- Market (know your audience)
- Message (highlight customer pain and desired outcomes)
- Media (select the right channels to reach them).

Day 2

Move up the value hierarchy:

- Starting with time for money
- Moving to delegation/management
- Reaching capital allocation level
- Ultimate goal: Find people who focus on ROI rather than cost

Main pricing concepts discussed:

- Moving away from hourly rates to value-based pricing
- Using engagement minimums (e.g., "\$9,500 monthly retainer with 45-minute call", "\$60,000 to \$120,000 over 4-5 months")
- Focus on investment language rather than cost
- Understanding that pricing should reflect value capture, not time spent

Day 3

How to have conversations and write proposals that close

- How I ask right questions for the situational assessment
- Look at proposals I've written
- Review my biggest mistakes
- Review your proposals

Your ability to get paid is directly proportional to:

- How well you understand what their final dream is.
- Your ability to demonstrate control over the value equation.
- How you demonstrate accountability for success.



It's all about accountability

Examples:

- Personal trainer : "Pay 25% upfront and 25% when you lose the first 10 pounds"
- Wedding dress : "If it doesn't fit, I'll give money back and pay for the tailor"
- Recruiter model: "25% of salary if my recruit stays longer than 3 months"

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What's at stake

What do you look for in a partner

What does success look like?

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Before we jump in...



Leave a message in #questions with

- A link to your proposal
- Specific questions about your proposal



I'm happy to record a Loom video and go over your proposal and share feedback

The most important questions that drive a close

Ask yourself: Am I talking to the qualified buyer?

What's at stake?

What do you look for in a partner?

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Ask yourself: Am I talking to the qualified buyer?

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The first question to ask yourself:

Am I talking to the
qualified buyer?



A qualified buyer:

- Has real purchasing power
- Can discuss value, success metrics, and business impact.
- Understand broader impact and control resource allocation

Unlike unqualified buyers:

- Focus only on budgets

Ask yourself: Am I talking to the qualified buyer?

How to connect with qualified buyers?

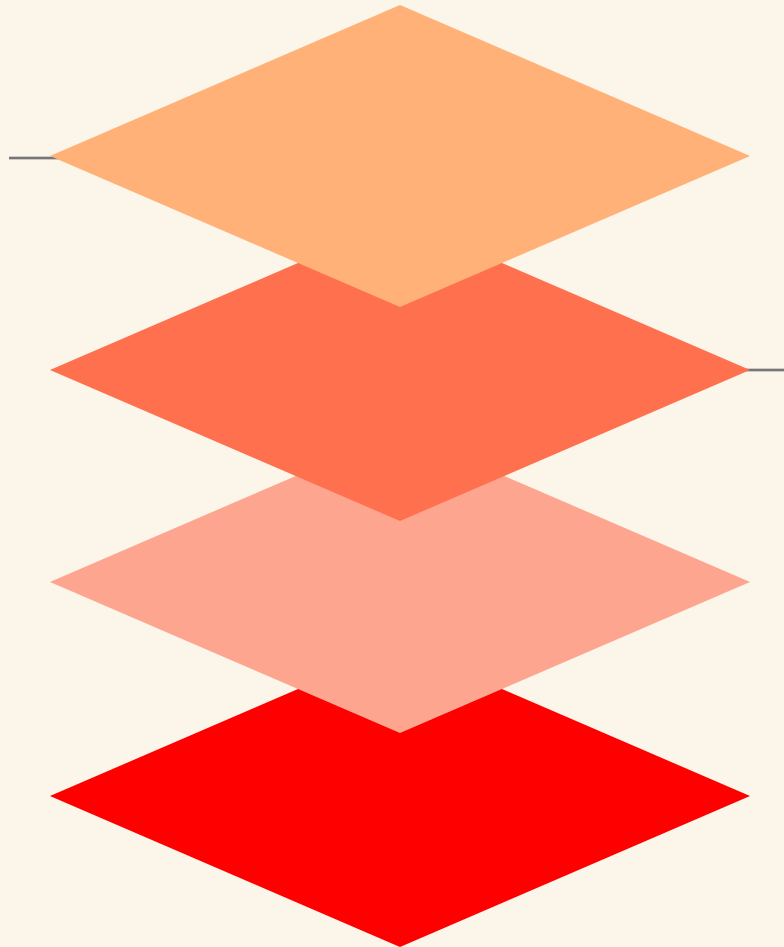
- Ask to meet decision-makers early: "Who else should be involved in these discussions?"
- Include key stakeholders in group meetings
- Help non-decision-makers present to leadership
- Look for those who focus on outcomes and ROI, not just features



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Key indicators of a qualified buyer:

- Makes financial decisions without constant approval
- Understands company's long-term vision
- Asks about business impact, not just technical details
- Can discuss previous similar investments

Ask yourself: Am I talking to the qualified buyer?

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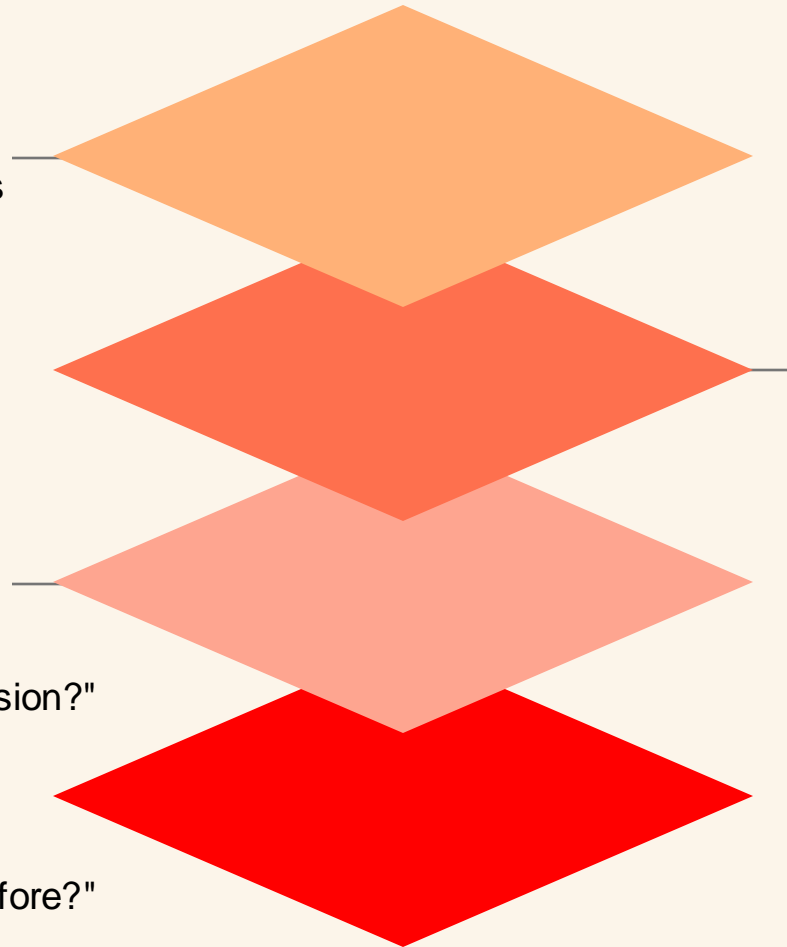
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Helpful questions to ask

- "Who else needs to be involved in this decision?"
- "What's your typical process for approving investments?"
- "How have similar decisions been made before?"

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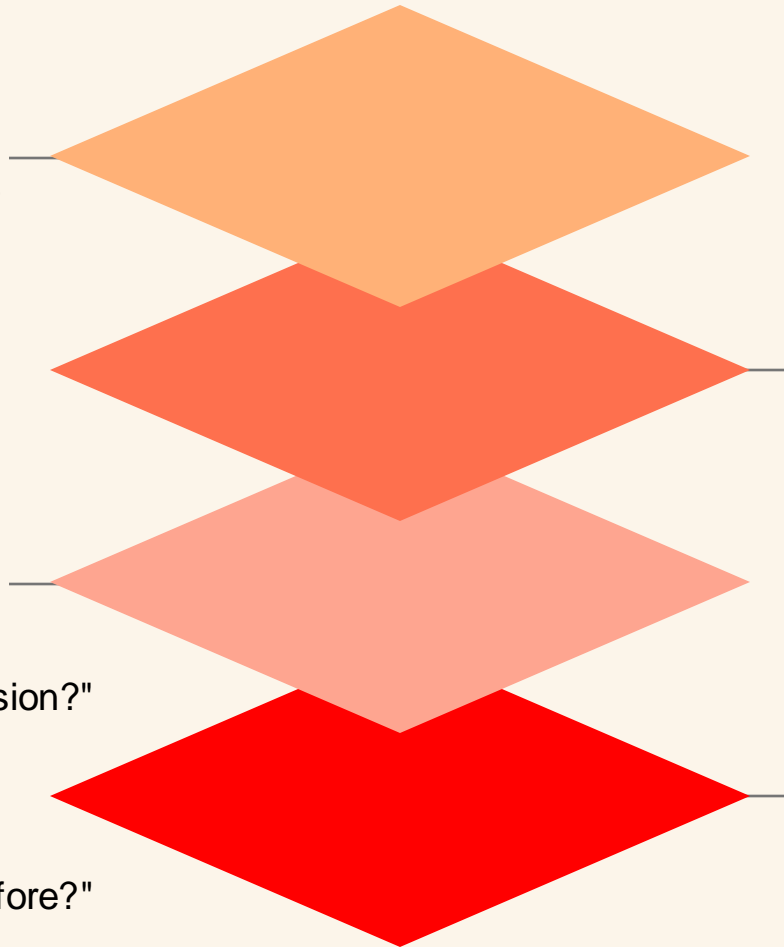
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Red Flags

- Frequently needs to "check with the boss"
- Focuses only on technical details
- Can't discuss ROI or business impact
- Unable to address timelines or implementation

Learn from my Mistakes: If an engineer, project manager, or inexperienced founder books time, it's typically an issue. They don't understand what success looks like

If you're starting out:

- It might make sense to take on non-qualified buyer roles to generate content

As you start increasing your rates:

- You really need to understand what the company's business goals are
- Otherwise, you're always going to be a **nice-to-have**, and as their priorities shift, you're just going to fade away into the Slack channels.



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Back to the most important question

What's at stake?



In our last class we discussed:

- Asking good questions to figure out **what's really on the line for potential clients**
- This helps us understand what matters when we make our pitch

Again, going back to the Value Equation

Source: Alex Hormozi

$$\text{Value} = \frac{\text{Dream outcome} \times \text{Probability of success}}{\text{Time} \times \text{Effort}}$$

The most important question: This makes a big difference in how they see your value

What's at stake?



It's important to know

- How long they've been working this?
- How much effort they've put in? For example:
 - They've been stuck on a problem for months and it's going nowhere
 - They're bleeding customers while their CTO is spread thin
 - They're trying to research solutions and chase funding at the same time

Learn from my Mistakes

When a company just says they:

- “Want to work with me” without any real problems to solve
- Then, they usually ghost

This makes sense – I’m just a “nice-to-have” at that point



I only started asking this question like seven months ago but wow, the answers have been wild



What's at stake?

- We're trying to raise seed funding.
- If we can build out this demo, we have a chance of raising money.



I only started asking this question like seven months ago but wow, the answers have been wild



What's at stake?

- My co-founder left the company, and we need someone to take over the CTO role, and I need you to be the interim CTO while I do XXX.



I only started asking this question like seven months ago but wow, the answers have been wild



What's at stake?

- We were reaching a point where we couldn't afford to run these models without raising more money. We're going to have to simultaneously lower the costs as we try to get a seed extension.



I only started asking this question like seven months ago but wow, the answers have been wild



What's at stake?

- I need to generate a data labeling task force, and two people just quit the data labeling team.



I only started asking this question like seven months ago but wow, the answers have been wild



What's at stake?

- We went viral and increased our revenue from nothing to about \$100,000 every month. However, in the first month, our churn rate was 40%.



I only started asking this question like seven months ago but wow, the answers have been wild



What's at stake?

- Our goal is to hire two or three talents so we can really scale out this product. But I've never hired for this role.



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The second most important question

What do you look for in a partner?



Understanding the requirements and reasons **why someone seeks your help** allows you to price the benefits you can contribute effectively

The second most important question



What do you look for in a partner?

I am looking for lot of high-touch involvement because I want to learn the AI process.

- I want weekly updates, so I know what's going on



The second most important question

Sounds like they have other priorities. No problem!



What do you look for in a partner?

I am looking for a lower-touch involvement and prefer to be less involved with the project

No problem – I can help run the team
I will share monthly updates



The second most important question

What do you look for in a partner?



Communicate options for what partnership can look like:

- High touchpoint, weekly updates
- Low touchpoint, monthly updates

Note: fewer updates does not mean you have to charge less.

Remember: you are charging on value

And you can capture more of the perceived value:

- The convenience of the project (saving time, effort)
- Increasing the chance of success (by offering more high-touch help)

What do you look for in a partner helps you understand where on the range of accountability they are looking for

All these factors provide you with a portfolio of benefits that you can discuss when you start thinking about pricing

Lower accountability



The clients are just here to ask you some questions

Moderate accountability



This might involve deploying a product

Highest accountability



You're conducting research interviews, doing load testing, and handling deployment in your hiring processes.

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The last important question

What does success look like?



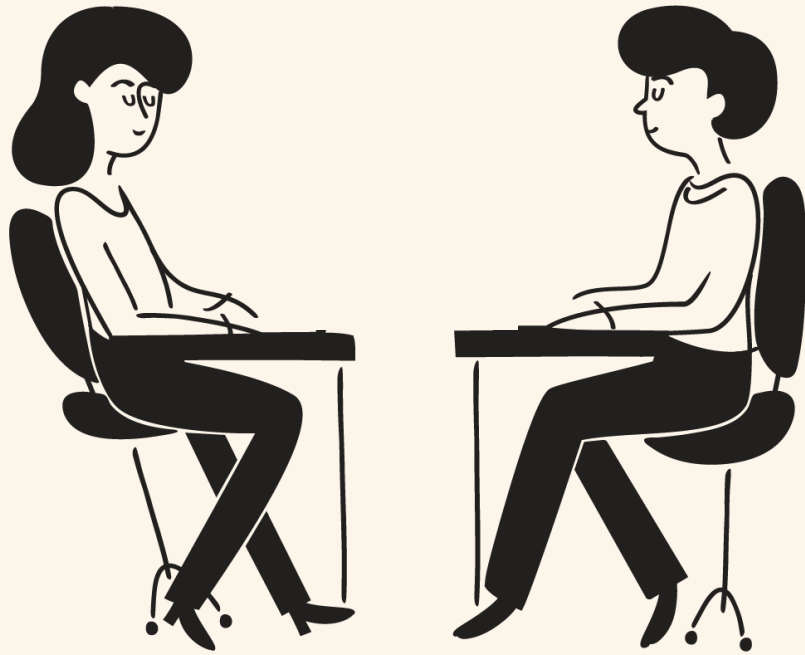
After understanding the problem and requirements, we need to define success metrics

- Rather than focusing on deliverables like weekly emails or calls, **I want to measure impact**. For example:
 - Unblocking your team
 - Reducing API costs by 30%
 - Helping secure Series A funding

I can align my services accordingly:

- Help run startup
- Help design new evals
- Leverage my investor network
- Share knowledge of what they look for in roadmaps

I focus on delivering overall value rather than itemizing costs.



While relationship-building and introductions are part of my service, I don't charge hourly for activities like dinner meetings.

Learn from my Mistakes

It might be awkward in the beginning to ask these questions as you don't understand the true value.

However, as I mentioned on day one, as you start writing and thinking about this kind of stuff, you'll become better at communicating what exactly your client needs.



After a year of consulting, I found that what works best is to make a simple joke at some point in the conversation:



Man, you know, I think a lot of companies just need permission to do the boring thing.
Without that permission, it's really hard for leadership to determine if their AI engineering team is ineffective or if the problem is inherently difficult.

Yeah! That totally makes sense!



Figure out what's at stake, what they're looking for in a business partner, what success looks like, and how we want to measure that success

Then we can start figuring out how to communicate

Ask yourself: Am I talking
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Example conversations

Let's jump into real proposals

Situational assessment EA example

Office hours

The goal is to present a situational assessment that captures:

1. First, the pains and dreams of the customer
2. The values and benefits
3. How we're going to get it done
4. Options for them to choose from

This approach helps **prevent sticker shock**, prompting customers to **consider ROI and their willingness to invest** to achieve that

If you're doing a good job:

- The conversation should focus on the project's ROI.
- Customers evaluate what percentage they are willing to invest in your consultancy
- **To increase the likelihood of success**
- To lower the variance of the ROI

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Example 1



What's at stake?

Recently, we went viral, and we grew from \$30,000 MRR to \$200,000 MRR. However, every month since, we're losing about 30% of our customers.

The team is mostly focused on infrastructure work, but unless we can make this application better, we're really going to lose the trust of all our users."



Example 1

*Wow, they're going to lose \$100,000
in the next half year if they don't
figure this out.*

*Even twenty or thirty percent of that
would be a pretty good contract*



What's at stake?

Recently, we went viral, and we grew from \$30,000 MRR to \$200,000 MRR. However, every month since, we're losing about 30% of our customers.

The team is mostly focused on infrastructure work, but unless we can make this application better, we're really going to lose the trust of all our users."



Example 2



What's at stake?

We've been really slow to make investments in AI with our transcription apps. We're a billion-dollar company, but all of a sudden there have been 10 or 20 different YC companies coming after the same market as we are. We're really just looking to shortcut a lot of the learnings and figure out if we're going to build or buy.

Oh, well that's really interesting. Can you tell me a little bit more about what your bets are?

Yeah, we're looking at a couple of companies right now that are priced around the \$20 million mark because we think in the next two or three years we can get to \$100 million ARR.



Example 2

“Wow, they were thinking of spending \$20M to 40M, and they think they’re going to get to a \$100M+ ARR quickly.”



What’s at stake?

We’ve been really slow to make investments in AI with our transcription apps. We’re a billion-dollar company, but all of a sudden there have been 10 or 20 different YC companies coming after the same market as we are. We’re really just looking to shortcut a lot of the learnings and figure out if we’re going to build or buy.

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Example 3



What's at stake?

My head of AI left to join OpenAI. We're kind of scrambling to hire someone very quickly since we're hoping to raise a Series A soon. Between the fundraising, hiring, and making sure the prototype is ready to demo, I'm really just strapped for time and need a little bit more support.



FIND HUNGRY PEOPLE
=
FIND PEOPLE WHO NEED YOU



FIND HUNGRY PEOPLE
=
FIND PEOPLE WHO NEED YOU



If their answers aren't good, or if they don't open their eyes to what's possible, then what's the point?

You want to sell to people who NEED YOU

If people don't know what they need, then you sell a subscription model
“monthly plan”



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How to run a situational assessment

- Situation
- Objectives
- Measures of success
- Values and benefits
- Methodology
- Joint accountabilities
- Pricing/Terms

Consulting course worksheets!



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Situational assessment EA example:

Situation

Purpose: Demonstrate that you've heard what they were saying and understand what's at stake in the business.

If I'm hiring an EA, the first line shouldn't just be "Jason is looking for an EA." It should be:

- "Jason is getting so many clients that the paperwork has become overwhelming. This has resulted in Jason having to work until 2 a.m. every night. He does not have the time to set up automations and is looking for an EA to help lessen the workload, allowing him to focus on higher-value tasks."
- Zapier automations and AI agents work well but are not enough to actually give Jason his time back. Constant interruptions and scheduling are causing him to lose two to three hours a day.
- At Jason's billable rate, this is costing three to four thousand dollars in lost productivity a week. With that time, he could have secured one more consulting client or been able to take a day off work every week.

Learn from my Mistakes: Not doing a proper situational assessment

The situational assessment only happens:

- If you listen and ask questions, rather than just focusing on what you do.
- This is an issue common among technical people, whether it's a consultant or even technical founders.
- It's the same problem over and over again.
- I made the mistake to just think about what they do and not what the other person is getting.

This is fine if you're a commodity! But then, you will be priced like a commodity



Situational assessment EA example:

Objective

Jason is looking to delegate the majority of:

- Sales calls scheduling and follow ups
- Organized calendars
- Checking his work email multiple times a day

Additionally, he wants assistance with:

- Planning his travels
- Processing potential prospects

The new Executive Assistant (EA) could also:

- Operate as HR
- Manage Jason's relationships with investors, accountants, and lawyers
- Handle general travel planning and personal work

Situational assessment EA example:

Metrics

- Jason should only have to check his emails twice a week.
- All calendar management, travel arrangements, and booking will be handled by the Executive Assistant (EA).

Situational assessment EA example:

Values

- Once Jason delegates this work, he will save around 8–9 hours a week on logistics, travel planning, calendar management, and email follow-ups. This will allow him to:
 - Potentially get new clients, which at his current billable rate could result in \$40,000 of incremental revenue.
 - Work fewer days a week, giving him time to focus on a new job.

This will enable him to concentrate on other aspects, whether writing, family, or other interests.

Situational assessment EA example:

Accountabilities

EA will:

- Handle all email correspondence and calendar management
- Schedule and coordinate meetings, appointments, and travel arrangements
- Process and organize incoming communications and documents
- Manage relationships with external stakeholders (investors, accountants, lawyers)
- Create and maintain organizational systems for files and documents
- Handle basic HR responsibilities and paperwork
- Follow up with potential clients and manage the sales pipeline
- Maintain strict confidentiality regarding all business matters
- Provide regular status updates on delegated tasks and projects

Jason Liu will:

- Provide clear communication of priorities and expectations
- Be available for regular check-ins and feedback sessions
- Grant necessary access to systems and tools required for the role
- Respond to urgent communications in a timely manner
- Review and approve important decisions or expenditures
- Provide constructive feedback for continuous improvement
- Maintain open communication about changes in business needs or priorities

Situational assessment EA example:

Methodology

Option 1: EA

- EA will work at a hourly rate with 8–10 hours a week to address any needs of the business
- EA will be available for ad-hoc urgent requests during business hours
- Training and onboarding period will be included in the first month
- Weekly check-ins to ensure alignment and address any concerns
- Monthly reports on tasks completed and time allocation

Option 2: Chief of Staff

- Including everything in option 1
- EA will work on a monthly retainer of 40 hours per month with focus on:
 - Managing legal and compliance systems
 - Setting up and maintaining automation workflows using tools like Zapier, Make

Option 3: Chief of Staff / Fractional COO

- Including everything in option 1, 2
- Will take training to become a sales representative for both course and consulting business
- Responsibilities include:
 - Outreach to potential clients
 - Screening and qualifying prospects
 - Managing the sales pipeline
 - Hiring and managing contractors for various business initiatives
 - Strategic involvement in business growth and expansion initiatives

**Situational
assessment EA
example:**

Pricing

Option 1: EA

- \$35/hour for up to 40hr a month

Option 2: Chief of Staff / Automations

- \$3,000/month retainer for up to 40hr a month

Option 3: Chief of Staff / Fractional COO

- \$3,000/month base + commission structure:
- 5% on consulting revenue from screening potential leads and outbound
- 15% on course sales from direct outreach
- Pre-approved budget for contractor hiring and management

The goal is to figure out what questions to ask to fill out this proposal structure effectively. Ensure that by the end of the call you can say:

Use automation to quickly draft a sample



Great! I'm going to take everything we talked about over these past 30 minutes. I'll share a draft proposal with a general idea of how things should look. Then, maybe let's sync up sometime next week. How does the same time next week sound to you? I'll share some materials beforehand, and then we can figure out how to proceed.



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Office hours

Office hours

- In the office hours, I suggest we talk about topics such as contracts and intellectual property. I'm happy to discuss billings and related matters.

Other potential office hours questions may include:

- How to structure payment terms and milestone-based billing
- Managing scope creep and setting boundaries with clients
- Building and maintaining client relationships long-term
- When and how to fire difficult clients
- Best practices for proposal writing and follow-ups
- Tips for qualifying leads and identifying red flags
- How to handle client negotiations and objections
- Setting up systems for recurring revenue
- Legal considerations and liability protection

Answers to common office hours questions

What should my payment terms and milestones be?

- Always require a 50% upfront deposit for new clients
- Break larger projects into 2–4 milestones with clear deliverables
- Use escrow services for large projects over \$10,000
- Include late payment penalties in contracts (typically 1.5% monthly)

How do I manage scope creep?

- Document all project requirements in writing before starting
- Use change order forms for any additions to original scope
- Build in buffer time for unexpected changes (15–20% of project timeline)
- Clear communication about what constitutes additional billable work

Answers to common office hours questions

How do I manage client relationships?

- Schedule regular check-ins (weekly or bi-weekly)
- Send monthly progress reports
- Maintain professional boundaries while being personable
- Proactively address concerns before they become issues

When, if ever, should I fire clients?

- Consistent late payments despite reminders
- Repeated boundary violations
- Scope creep without willingness to adjust compensation
- Toxic or abusive behavior

Answers to common office hours questions

What are your proposal best practices?

- Focus on client outcomes rather than deliverables
- Include clear timelines and milestones
- Provide multiple pricing tiers when appropriate
- Follow up within 48 hours of sending

What are some lead qualification red flags?

- Unwillingness to discuss budget
- Unrealistic timeline expectations
- Poor communication during initial discussions
- History of switching consultants frequently

Answers to common office hours questions

How should I handle negotiations?

- Focus on value-based pricing rather than hourly rates
- Have clear minimum rates and stick to them
- Offer value-adds instead of discounts
- Be willing to walk away from bad deals

How do I build a recurring revenue systems?

- Create retainer packages with clear monthly deliverables
- Offer maintenance plans after project completion
- Build subscription-based advisory services
- Implement auto-billing systems

Answers to common office hours questions

How should I protect myself legally?

- Use professionally reviewed contracts
- Maintain appropriate business insurance
- Document all client communications
- Consider forming an LLC or corporation